

August 4, 2017

Mr. Joe Patrick & Mr. John Hasse  
Hasse Construction  
10 Lincoln Avenue  
PO Box 300  
Calumet City, Illinois 60409

**Re: Neighborhood Water line replacement project pre-construction  
conference minutes**

A pre-construction conference for the above mentioned project was held on August 4, 2017 at the East Chicago City Engineers Office. Those in attendance were:

William Allen, City Engineer  
Rocky Marquez, East Chicago Water  
Sarah Rolfes, EPA  
Camille Meiners, State Revolving Fund (SRF) (Teleconference)  
John Hasse, Hasse Construction  
Joe Patrick, Hasse Construction  
George Kovacich, First Group Engineering

**Introductions**

Ms. Meiners asked Mr. Kovacich to add the SRF pre-construction conference agenda to the meeting minutes. Mr. Kovacich agreed. Ms. Meiners said that Ethel Morgan who is on vacation will be working on this project.

Ms. Meiners reviewed the Davis-Bacon Wage & certified payroll requirements. Ms. Meiners asked if there was a Labor Standards Administrator for the project. Mr. Allen said that the City of East Chicago's EEOC Coordinator (Esperanza Ceja Ramirez) would handle the payrolls. Mr. Allen will send Ms. Meiners the contact information.

Ms. Meiners said that all SRF's projects are required to follow American Iron and Steel requirements and to watch for compliance on curb boxes. Certifications and shop drawing will be required for curb boxes. Certifications should say that it was made in the USA and have the name of the contractor, the name of the project, signature, what the product is and where the product was made. Mr. Kovacich will have copies of these on site.

Ms. Meiners said that there will be an on-site inspection at 50% and 100% completion of the project. The inspection will be coordinated with the contractor and Engineer. The Inspector General office could make an unannounced visit to the job site.

Ms. Meiners discussed retainage. She said that retainage should be kept in the SRF loan or a third part bank. If there are other options to please run then by her. Mr. Hasse asked how much retainage is. Mr. Kovacich said that he will look into it.

Ms. Meiners said that if the need for a change order comes up to discuss it with SRF earlier instead of later. Ms. Meiners asked Mr. Kovacich to communicate to SRF when a change order situation comes up. Mr. Kovacich said that he will discuss any change order with Mr. Allen and SRF first.

Mr. Allen said that the city attorney had sent out the contract and notice to proceed. Mr. Allen said that he would get that information to Ms. Meiners.

Ms. Rolfes asked when work would begin. Mr. Allen said that they are still working on the schedule. When work does start it would be in zone 3. Mr. Hasse said that their intent is to have a continues presence on the job site. Mr. Allen said that as of right now the city has 80 access agreements signed by homeowners.

Mr. Hasse said that if for instance in the middle of the day there are not more residents ready for the contractor or the contractor has crews waiting to get in the next house if they could bill for their time. Mr. Hasse asked if Mr. Kovacich can sign so the contractor can be paid for waiting on the next house. Mr. Kovacich said he would need to talk with Mr. Allen and SRF. Mr. Allen said that the city has a list with phone numbers of all of the homes that have been remediated so far. Mr. Allen asked Ms. Rolfes for a weekly updated list on homes that have the

green light to go on for this project. Ms. Rolfes said yes. Ms. Rolfes said that up to now they have open excavated 53 homes.

Mr. Patrick asked where they can start. Is there an order they need to go in? Mr. Allen said that he has a list of the homes that are ready to go. Mr. Allen said that Mr. Marquez will schedule the homes for water line replacement. Mr. Allen said that there are homes in zones 2 and 3. Work will begin in zone 3. Mr. Allen said that 400 homes is not the total amount. 400 homes was the maximum amount of money available for this work. After 400 homes Mr. Allen will need to talk with SRF about change ordering more funding so that the contractor could continue. Once Mr. Marquez has 40 or so homes ready the contractor can get started in a week or so.

Mr. Patrick said that the work is all trenchless except for a drench at the water main, at the curb stop and maybe at the house.

Mr. Kovacich said that beyond install the new water line one foot I to the house there is an hourly pay item for a plumber.

Mr. Allen said that if the homeowner says he already has cooper lines that it still needs to be looked at.

Mr. Allen asked for a monthly update letter from Mr. Kovacich.

Ms. Rolfes said that we are only doing work in houses that have already been cleaned or don't need to be cleaned.

Mr. Kovacich said that sod work is included in other items.

Mr. Patrick asked Ms. Rolfes if there are any EPA requirements for Hasse on this project. Ms. Rolfes said there are no special requirement because all of the home will have already been remediated.

Mr. Patrick said that once 40 homes are ready to go Hasse can begin work in a week or two. Mr. Marquez asked Mr. Allen for the list of homes.

Mr. Marquez said that he would like to install meters inside if possible.

The meeting adjourned.





## State Revolving Fund Loan Program

an Indiana Finance Authority Environmental Program

100 North Senate Avenue, Room 1275  
Indianapolis, Indiana 46204  
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**Camille Meiners, PE**  
SRF Section Chief  
(317) 234-3661  
[cmeiners@ifa.in.gov](mailto:cmeiners@ifa.in.gov)

To: SRF Loan Recipients and SRF Loan Recipients Consulting Engineers  
From: SRF Loan Programs  
Re: Pre-Construction Meetings – East Chicago Lead Line Replacement Super Fund Site

To assist SRF Loan Program recipients in meeting requirements issued by the EPA, a representative from SRF will participate in SRF loan recipients' pre-construction meetings. The purpose of SRF's participation is to remind attendees of SRF requirements during construction. Please coordinate the date and time with the SRF engineer assigned to your project, Ethel Morgan at [emorgan@ifa.in.gov](mailto:emorgan@ifa.in.gov) or 317-234-8643. Alternate contact information for Ethel is [hometowneng@sbcglobal.net](mailto:hometowneng@sbcglobal.net), 317-780-8805. Participation will be in-person or via telephone conference. The following items will be addressed.

1. **Green Project Reserve** – If this project contains PER-approved Green Project Reserve (GPR) components, SRF must receive a copy of Attachment H - GPR Final Bid Summary and the Schedule of Values for this project's contract(s) in order to verify total construction and planning and design GPR costs for the entire project. If this project is also being funded through non-SRF funds (i.e. OCRA or local funds), SRF must receive each request which contains GPR components. Failure to provide SRF with GPR-specific pay requests may impact the interest rate reduction this project has been awarded. – *NOT APPLICABLE*
2. **Davis-Bacon Wage Requirements/Certified Weekly Payrolls** – EPA guidance requires that Davis-Bacon Wages be paid by the general contractor and their subcontractors to their project personnel. It is the responsibility of the loan recipient to verify this information by receiving from the general contractor this information via certified weekly payrolls. Copies of the certified payroll must be kept on file by the loan recipient for review during on-site inspections by SRF personnel or EPA officials. Certified weekly payrolls must include the job classification for each employee, the wages paid to each employee for the SRF job only, and include documentation as to the amount of fringe benefits paid *by the employer* to each employee. The loan recipient or their representative must conduct spot checks of a representative sample of weekly payrolls, verify fringe benefits, and conduct employee interviews to ensure that contractor/ subcontractor is complying with requirements and paying the appropriate wage rates. The loan recipient will be required to certify that these reviews have been completed with each disbursement request to the program and a final certification will be required at the end of construction.

Please note that the Davis-Bacon wage rates must be posted in a conspicuous location on the job site. Please contact Amy Henninger, SRF Compliance Officer, at (317) 232-6566 with questions.

3. **American Iron and Steel Clause/ Waivers and National Waivers** – EPA guidance requires that SRF funded projects must comply with the American Iron and Steel requirement except in those cases where a project is excluded from the Consolidated Appropriations Act 2014, per EPA guidance, an individual project waiver has been granted by EPA, or a national waiver has been granted by USEPA. One of the national waivers is the de minimis waiver. This waiver allows the use of incidental, low cost items (i.e., bolts, nuts, washers, wire, etc.) to be used for the project without obtaining a manufacturers certification letter. However, EPA does require that a record be kept of these items with their associated costs, which cannot total more than 5% of the total costs of all materials incorporated into the project (see attached template as an example).

Further information can be found on the SRF's website at [www.in.gov/ifa/srf](http://www.in.gov/ifa/srf) and then click on Applications, Guidance, and Documents for American Iron & Steel Requirements or EPA website ([http://water.epa.gov/grants\\_funding/aisrequirement.cfm](http://water.epa.gov/grants_funding/aisrequirement.cfm)).

The SRF loan recipient must keep a copy of all waivers and certifications for iron and steel products for review during an on-site inspection. Additionally, upon completion of the project, the SRF loan recipient may be asked

to send a copy of all certification/ waivers to the SRF Compliance Officer, Amy Henninger, at 100 N. Senate Ave, IGCN 1275, Indianapolis, IN 46204 or [ahenning@ifa.in.gov](mailto:ahenning@ifa.in.gov).

4. **On-site SRF Inspections/Financial Reviews** – Periodic on-site construction inspections/financial reviews will be conducted by SRF personnel to review the project construction progress and/or review financial project records of the loan recipient. These inspections/reviews may be conducted together or separately and will be coordinated with the on-site construction inspection engineer and the loan recipient's fiscal officer. An inspection/review checklist will be provided prior to established date so that the necessary documentation is available for review.

In lieu of an on-site inspection, SRF personnel may conduct virtual inspections, where we request that the on-site construction inspection engineer answer questions and provide monthly progress updates, updated construction schedules, and photos of project components.

Site inspections and audits may also be conducted by the Office of the Inspector General (OIG) without notice. During their inspection, OIG officials may inspect the loan recipient's main office or town hall to review compliance documents and then proceed to the work site for interviews and further document inspection.

5. **Contractor Retainage** – Per IC 36-1-12-14, a public board which enters into a contract for public work in excess of \$200,000 and a contractor who subcontracts parts of that contract must include provisions in their respective contracts for the retainage of portions of payments by the board to the contractors, by contractors to subcontractors, and for the payment of subcontractors. At the discretion of the contractor, the retainage can be held by the board, in a third-party escrow account, or the state as an escrow agent.

Prior to the processing of the first disbursement request for construction costs of an SRF-financed project, SRF must receive a copy of the retainage provision or agreement for each construction contract associated with the SRF-financed project(s). The retainage provision must include: (1) the party responsible for holding retainage, and (2) the percentage of retainage to be held. This provision or agreement may accompany the first disbursement request. Please contact Gayle Hicks, SRF Disbursement Coordinator, at (317) 234-6730 or [GLHicks@ifa.in.gov](mailto:GLHicks@ifa.in.gov) if you have any questions or concerns.

6. **Change Orders, Project Addenda, and Work Allowances** – Please let us know about change orders as soon as possible so that we can check eligibility. We cannot process the related disbursement request until the change order has been approved. Similarly, if the project has a work allowance, please list items/work orders with payment requests so that we can check eligibility. Please submit change orders to Doris Roberson, SRF Bidding and Contract Reviewer at (317) 234-1266 or [DRoberso@ifa.in.gov](mailto:DRoberso@ifa.in.gov).
7. **Partial Waiver of Lien** – The contractor will submit a General Partial Waiver of Lien, after the first couple of pay applications have been processed. This releases their right to place a lien on the property because they have gotten paid in the past. The resident engineer will make sure the waiver is attached when reviewing the pay applications. A Final Waiver of Lien should accompany the final payment request.
8. **Internal Controls** – The State Board of Accounts requires that the SRF loan recipient be aware of all requirements on federally funded projects and be aware of the steps to comply with those requirements. It is recommended that the SRF loan recipient has regular contact with consultants hired by the loan recipient to ensure internal control on the SRF program requirements (e.g. Davis-Bacon), financial, engineering and project management of the project. It is recommended that the borrower maintain a communication file with these consultants.
9. **Contract Documents** – Within 30 days of issuance of the Notice to Proceed, and prior to processing the first disbursement request, we require a copy of the following contract documents: (1) Executed agreement (2) Performance Bond (3) Payment Bond (4) Certification of Insurance (5) Notice to Proceed (6) Contractor's Construction Schedule. Note the performance and payment bonds are for any contracts exceeding \$200,000.
10. **Anticipated Financing** – If this project is being financed by a local Bond Anticipation Note (BAN), with the intention of SRF reimbursement via future financing, all SRF-related requirements must be followed during every stage of the project. As a condition of loan closing and future reimbursement, SRF must review and approve a Preliminary Engineering Report as well as all invoices for the project in order to determine if costs are SRF-eligible. State and federal bidding and procurement standards as well as Davis-Bacon wages and labor standards monitoring must also be followed. – *NOT APPLICABLE*

**Please note that if there are any questions regarding the above items please contact the SRF Engineer listed on Page 1.**